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Chairman: Mr. Chowdhury ..... (Bangladesh)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 3.05 p.m.

Agenda item 115: Programme budget for the biennium 1996-1997 (A/C.5/51/53, A/52/7 and A/52/16)

1. **Mr. Sach** (Director, Programme Planning and Budget Division) said that the report of the Secretary-General on the impact of approved savings measures on the implementation of mandated programmes and activities (A/C.5/51/53) should be considered in the context of the reports of the Secretary-General on the proposed programme budget (A/C.5/50/57 and Add.1) and the programme budget (A/C.5/51/57) for the biennium 1996-1997, which contained proposals on possible savings in implementation of General Assembly resolution 50/214, in which it had been decided that the programme budget should be reduced by $154 million.

2. The report on the impact of approved savings measures confirmed the information provided in the two other reports mentioned. Most of the effects of the cuts envisaged had already been felt in 1996 and at the beginning of 1997 in the form of real reductions in outputs. In its consideration of those reports of the Secretary-General, the Advisory Committee had referred to the basic dilemma faced by the Secretary-General, namely the need to achieve substantial savings without affecting the full implementation of mandated programmes and activities. To achieve a reduction of $154 million, vacancy rates had to be maintained at a significantly higher level than budgeted; to mitigate the impact of a reduced level of staff and other resources, more efficient and cost-saving methods of work had to be instituted, and certain activities had to be reduced.

3. The measures taken had included redistribution of tasks and responsibilities, simplification of processes and procedures, restructuring or streamlining of organizational structures, clarification and reorientation of interdepartmental functions, rationalization of outputs, reduction in the number and scope of expert group meetings, and reduction in travel and consultants. In some areas those measures had resulted in a significant reduction of routine work, while in other areas the reduced level of staff and resources had resulted in a reduced capacity to manage, supervise and coordinate activities effectively, ensure quality control and timely delivery, conduct fact-finding and data collection and participate in international dialogue with Member States and other entities. Nevertheless, although every effort continued to be made to implement all mandated programmes and activities, the reduced level of resources had affected the level and quality of services, the scope of research and analysis, and the availability of expertise.

4. The biennial programme performance report, which would be prepared by the Office of Internal Oversight Services in the first half of 1998, would give a full review of the question of outputs in terms of what had been programmed, implemented, reformulated or postponed during the biennium 1996-1997. In the meantime, the report of the Secretary-General on the impact of approved savings measures gave a broad overview of the results of the budget reductions imposed by the General Assembly. The document could give a negative impression because it did not mention the parts of the programmes which had been implemented in full. A large percentage of the mandated programmes and activities had been implemented with various adjustments and reprogramming so as to preserve the essence of the mandates; some of the problems in 1996 had been a result of the speed with which those adjustments had had to be made because the need for the reduction of $154 million had been indicated in December 1995; in the long term, the transition to a lower level of resources could be more gradual, with a lesser reduction in capacity.

5. The current report of the Secretary-General confirmed what had been expected when the reports on the proposed programme budget and the programme budget had been submitted, namely that a reduction of resources would give rise to a decrease in the capacity to implement programmes in a timely and complete manner; in general, that was what had happened.

6. **Mr. Bandora** (United Republic of Tanzania), speaking on behalf of the Group of 77 and China, said that it was regrettable that the report of the Secretary-General on the impact of approved savings measures (A/C.5/51/53) had been submitted so late despite several General Assembly resolutions and requests from Member States. The information provided was very general, as pointed out by the Advisory Committee in its report on the proposed programme budget for the biennium 1998-1999 (A/52/7). The Group of 77 and China agreed with the comment in paragraph 11 of that report that the Secretary-General should have given a clearer explanation and analysis of how the savings had been implemented, and the observation in paragraph 12 that the annex to the proposed programme budget for the biennium 1998-1999 (A/52/6/Rev.1) was merely a listing of outputs without any quantitative or qualitative analysis or justification.

7. The Group of 77 and China expressed deep concern about the discrepancies between the assurances given to Member States by the Secretariat that all mandated programmes and activities would be fully implemented at the level of resources requested for 1998-1999 and the content of the report of the Secretary-General which

indicated that that was not possible. The Advisory Committee pointed out in paragraph 10 of its report that neither the proposed programme budget for the biennium 1998-1999, nor the report on the review of the efficiency of the administrative and financial functioning of the United Nations (A/51/873), nor the report of the Secretary-General on programme performance, supported the claim that the full programmes and mandates called for by legislative bodies could in fact be carried out.

8. The Group of 77 and China were deeply concerned about the negative impact of the savings measures on the long-term work of the Organization, referred to by the Secretary-General in paragraph 7 of his report. They believed that the Secretariat must be able to implement fully all mandated programmes and activities and should immediately cease using vacancy rates higher than those approved by the General Assembly in resolution 50/214 to achieve budgetary reductions. The Group wished to receive precise information from the Secretariat on the amounts underspent in view of the high vacancy rate during the biennium 1996-1997.

9. With regard to the information on section 2 (Political affairs), the Group of 77 and China were concerned about the ability of the Department of Political Affairs to address the issues of interest to Member States and in particular urgent security problems in Central Africa. They regretted the reduction in the number of meetings of the Advisory Board on Disarmament Matters as well as the number of fellowships granted to diplomats from developing countries in the disarmament programme.

10. With regard to section 3 (Peacekeeping operations and special missions), the Group of 77 and China regretted that the shortfalls mentioned were due to a lack of staff resources and reiterated the request made by the General Assembly in various resolutions that the Secretary-General should present all budgets in a manner that would enable the General Assembly to decide on the level of resources required to implement fully all mandated programmes and activities.

11. With regard to section 5 (International Court of Justice), and section 6 (Legal activities), the Group of 77 and China were concerned about the negative impact of the savings on the quality and timeliness of legal services and the delays in the translation and printing of the reports and publications of the International Court of Justice.

12. With regard to sections 7A, 8 and 9, relating to development activities, the Group of 77 and China attached great importance to the full implementation of the programmes and activities entrusted to the Department for Policy Coordination and Sustainable Development, the Department for Economic and Social Information and Policy Analysis and the Department for Development Support and Management Services in the biennium 1996-1997. Priority should be given to eliminating delays in or the postponement of such activities as the launching or strengthening of work on issues emanating from the major conferences and to suspending the reduction in the number of some publications of special benefit to the developing countries.

13. With regard to sections 11 (United Nations Environment Programme (UNEP)) and 12 (United Nations Centre for Human Settlements (Habitat)), he noted with great concern the delay caused by the budget reductions to the transfer of expertise and technology through UNEP programmes and the postponement or cancellation of some Habitat activities.

14. With regard to sections 15 to 19, relating to the regional commissions, the Group of 77 and China were of the view that the commissions should be provided with the necessary resources to fully implement their mandated programmes in a timely and efficient manner.

15. With respect to section 25 (Public information), it was regrettable that that important area of the Organization's activities had been severely affected by the budget reductions, which had led to a drastic reduction in the local language versions of publications and other local services, and to the suspension of some publications such as the *UN Chronicle* in some of the official languages of the Organization. He regretted that the Secretariat had taken such measures unilaterally, without regard to General Assembly resolutions emphasizing the need for equal treatment of the six official languages. Such measures would have negative implications for the ability of the Organization to address international public opinion.

16. The Group of 77 and China expected the Secretariat to provide comprehensive and detailed responses to the Group's concerns and to the points raised by the Advisory Committee in its report and to propose appropriate measures in that regard to the General Assembly for its consideration.

17. **Mr. Saguier Caballero** (Paraguay), speaking as Coordinator of the Rio Group and on behalf of Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Panama, Peru, Uruguay, Venezuela, Honduras (representing the Central American States) and Guyana (representing the Caribbean States), said that his delegation endorsed the comments made by the representative of the Group of 77 and China and wished to make additional comments.

18. The programme budget for the biennium 1996-1997 reflected the political commitment of Member States, which

did not accept the Secretariat's budgetary proposals since the savings measures proposed did not accord with the guidelines in General Assembly resolution 50/214.

19. Although the General Assembly had requested the Secretary-General, in addition to the biennial budget performance report, to present no later than the end of the fiftieth session and in June 1997 reports on the impact of approved savings measures on the implementation of mandated programmes and activities, the Secretariat had issued only one such report, that contained in document A/C.5/51/53. That document was general in nature, did not cover all budget sections and did not follow the budget format, and the information it contained could be more specific, so that, in common with the reports on the proposed programme budget (A/C.5/50/57 and Add.1) and the programme budget for the biennium 1996-1997 (A/C.5/51/57), it raised more questions than it answered.

20. At the United Nations, where staff costs accounted for more than 75 per cent of total expenditure, it was inevitable that the budget reduction measures should have a major impact on personnel-related items. Nevertheless the apparently deliberate attempt to maintain a vacancy rate higher than that authorized by the General Assembly and its impact on the full implementation of mandated programmes and activities gave cause for concern.

21. Further, he agreed with the Advisory Committee that, in the absence of a decision to the contrary by the General Assembly or a competent intergovernmental organ, postponement of an activity meant only that it was being postponed to the next biennium. There had been insufficient clarification of how the numerous postponements, delays and cancellations would affect the capacity of the Organization to implement mandates entrusted to it by intergovernmental organs.

22. Even after having studied the report of the Secretary-General on the programme budget for the biennium 1996-1997 (A/C.5/51/57), the impact of the appreciation of the United States dollar against the Swiss franc and other currencies on implementation of the Organization's budget was not fully understandable. The question arose of why advantage had not been taken of the positive movement on exchange rates to mitigate the negative impact of the savings measures. In that regard strict compliance with the budgetary rules and, in particular, absorption and financing of new and special mandates were of particular importance. It was to be hoped that the budget performance report would clarify that matter.

23. It was also difficult to understand how the amounts arising from efficiency measures and their impact referred to in the document on the review of the efficiency of the administrative and financial functioning of the United Nations (A/51/873) had been obtained, and why the savings generated by the efficiency measures had not been utilized to fully implement the mandates and programmes affected or to absorb new mandates.

24. With regard to the Secretary-General's report on the impact of the savings measures, it was incongruous to assert, on the one hand, that at the present stage mandated programmes and activities would be implemented at a level that might vary from that initially planned, and, on the other hand, that the budget reduction had had an impact on the long-term work of the Organization. Further, the comments in the report of the High Commissioner for Human Rights (A/51/36) on the negative impact of budget cuts on the work and capacity to take action of the High Commissioner and the Centre for Human Rights were disquieting.

25. The attainment of savings did not justify failure to comply with General Assembly resolutions, such as resolution 50/11, on multilingualism, particularly taking into account that the programme budget contained provisions for that purpose. As the Advisory Committee had indicated, in the event of difficulties in interpreting a legislative mandate, the Secretariat should consult the competent intergovernmental organ, particularly given that mandates were to be implemented within a specific time-frame.

26. **Ms. Buergo** (Cuba) said that her delegation fully supported the statement made by the representative of Tanzania. She regretted the inexplicable delay on the part of the Secretariat in preparing its report, as well as the lack of clarity regarding the department responsible for its preparation. She wondered whether that reflected some specific decision. It was also her understanding that the Secretariat had taken upon itself the right to postpone, cancel or amend various activities, when the General Assembly, in paragraph 3 of its resolution 50/231, had reiterated that "the authority of the Secretary-General to implement any proposal to change mandated programmes and activities is subject to the prior approval of the General Assembly". She was also concerned by the assertions in the Secretariat report regarding the reduction in the ability and technical capacity of the Organization to implement some activities and the negative impact of the savings measures on services provided to Member States. Further, she noted that the principle of equality of all official languages, reaffirmed in General Assembly resolution 50/11, had not been observed.

27. The negative impact of the increased workload on the staff was a matter of concern. It was incomprehensible that the Secretary-General should be proposing to reduce the

Secretariat manning table by one thousand posts. In several reports, the Secretary-General had indicated the need to maintain higher vacancy rates than those approved in resolution 50/214 in order to achieve the proposed savings. Experience had shown that during the current biennium the vacancy rates had been used as an instrument for additional savings. Cuba would therefore like to know why the freeze on hiring would be lifted only at the beginning of April, despite the position taken by the General Assembly in that regard in decision 51/456 adopted on 18 December 1996. Also, he would like the Secretariat to inform the Committee at a formal meeting how much had been saved under that heading.

28. The Secretariat should in addition report at the Committee's next formal meeting on the amounts saved by the end of September as a result of exchange rate fluctuations, and its estimates of the total savings by the end of the year. Furthermore, Cuba agreed with Tanzania that urgent corrective measures had to be taken so that activities that had been affected could begin to be implemented in the current biennium. It hoped that the funds released as a result of exchange rate fluctuations would be allocated to development activities.

29. **Mr. Mirmohammad** (Islamic Republic of Iran) said that he supported the position of the Group of 77 and China concerning the report of the Secretary-General (A/C.5/51/53), and regretted that it did not contain more information than the previous reports on the way in which the savings measures called for in General Assembly resolution 50/214 had been applied. The report reflected the discrepancy between the assurances about full implementation of mandated activities and the serious problems that had arisen in actual performance. Iran endorsed the Advisory Committee's view that the Secretariat should have openly stated the negative impact of the savings measures on programmes, and that it should make the necessary programme-related proposals to the General Assembly. It therefore supported the ACABQ recommendation in paragraph 30 of its report (A/52/7) that an analysis of the effect of efficiency and other measures on programme delivery should be undertaken in the context of the second performance report and the programme performance report. Nevertheless, in the absence of a decision by the General Assembly, the Secretary-General should fully implement all activities mandated in the programme budget and the Secretariat should submit proposals that would allow it to overcome the current shortfall and implement the programmes.

30. **Mr. Maddens** (Belgium) said that he was speaking on behalf of the European Union, as well as of Cyprus, the Czech Republic, Lithuania, Romania, Slovakia and Slovenia, on the issue of additional expenditures arising during the implementation of a programme budget. In the case of the financing of the new peacekeeping and security mandates under the regular budget, the European Union had at the time supported the Secretary-General's proposal in connection with the outline of the programme budget for the biennium 1998-1999 that a contingency fund should be set up for the purpose, as already provided for in General Assembly resolution 41/213. Given the need to ensure that approved funds were used solely for mandated activities, a middle road had to be found between prorating expenditures at the beginning of an exercise and imposing an obligation on the Secretariat to absorb considerable sums when additional activities were mandated.

31. As for the additional expenditures arising as a result of inflation and currency fluctuations, they must be borne jointly by Member States and the Secretariat, as had been done thus far. The first alternative proposed, setting up a reserve fund, would impose conjectural assessments on Member States, and it would be impossible to justify their disbursement to the national budget bodies. On the other hand, it was not reasonable to ask the Secretariat to assume the full burden of the fluctuations, especially because the United Nations budgetary cycle was relatively long.

32. Concerning the report of the Secretary-General on the impact of savings measures (A/C.5/51/53), it should be noted that the Secretariat had managed to make a more than five-per-cent saving on its 1996-1997 programme budget, despite the proven difficulty of complying with the General Assembly's instructions to achieve considerable savings before the end of the biennium while implementing established programmes. The Secretary-General must be supported in the efforts he was making to that end.

33. In the future, the question of the implementation of mandated programmes in the context of the implementation of an approved programme budget should be included in the discussion of the proposed programme budget. It would be important to follow the debate on the Secretary-General's proposals for the reform of the Organization, especially those intended to define strategic guidelines, establish standards of implementation and assign priority in budgetary allocations according to results achieved.

34. **Mr. Oyugi** (Kenya) endorsed the statement of the Group of 77 and China and observed that the United Nations Environment Programme (UNEP) and the activities of the United Nations Centre for Human Settlements (Habitat), covered respectively in sections 11 and 12 of the budget,

must be reconfirmed and executed in full, in compliance with the relevant General Assembly resolutions.

35. **Mr. Watanabe** (Japan) said that savings had been achieved as a result of the measures applied by the Secretariat and the reduction of administrative costs. Japan favoured the concept of reinvestment of savings, and therefore the amount saved should be transferred to the development programmes.

36. On the other hand, there were also the savings or surpluses resulting from fluctuations in the rates of exchange and inflation. Around 60 per cent of the total cost of the Organization was disbursed in currencies other than the United States dollar. The sums derived from such savings should be reimbursed to Member States in accordance with the Financial Rules and Regulations of the United Nations. The Secretariat should report by December, when the performance report for the biennium 1996-1997 was due, on the breakdown of the $154 million in estimated savings in the two categories of savings. The same applied to the 1998-1999 proposed programme budget.

37. **Mr. Moktefi** (Algeria) said that he supported Tanzania's statement and regretted the delay in submission of the report of the Secretariat. Although the report contained only generalities, it gave an indication of the negative impact of the savings measures and the extent to which the Organization's capacity to implement programmes and activities mandated by the General Assembly had been affected. Algeria fully endorsed the points made in the ACABQ report (A/52/7), particularly in paragraphs 10, 25, 26, 30, 57 and 72.

38. Algeria believed that the problems encountered in the implementation of the programme budget for the biennium 1996-1997 should be borne in mind in the consultations on the proposed programme budget for the biennium 1998-1999. It also supported Cuba's request for information on the amount of savings made by the end of September as a result of exchange rate fluctuations. Should there be resources available, the Committee ought to be in a position to reallocate them to programmes affected by the economy measures.

39. **Mrs. Powles** (New Zealand), referring to the report of the Secretary-General on the impact of savings measures (A/C.5/51/53), said that the new management culture was already changing the United Nations. Paragraph 11 of the report stated that available staff resources had had to concentrate on issues in a more prioritized manner and that the Secretariat had been able to mitigate the impact of the budgetary reductions to a great extent by identifying and implementing efficiencies. The most recent issue of the *Secretariat News* also highlighted the fact that hundreds of United Nations staff members were well on their way to completing the 550 projects aimed at achieving greater efficiency in the Organization. As the Director of the Programme Planning and Budget Division had explained, tasks had been streamlined and reoriented in order to fulfil mandates with reduced resources.

40. New Zealand wished to express its support for what United Nations staff members were doing in their search for higher efficiency and took note of their achievements in promoting efficiencies and savings as a sure sign that the Organization's management culture was being modernized. It was the Member States, both developing and developed countries alike, that would ultimately benefit from those efforts. It was difficult to establish priorities with reduced resources, although the question must also be asked whether some of the activities said to have been affected by the savings measures had been needed in the first place. Agreement had already been reached on the need for a fixed level of resources to be provided to allow full implementation of mandated programmes. The latter, however, could be implemented with flexibility, given that needs changed over a two-year period.

41. **Mr. Repasch** (United States of America), referring to the report of the Secretary-General on the impact of savings measures (A/C.5/51/53), said that his Government supported the efforts made by the Secretary-General to achieve the savings which the General Assembly had mandated when it approved the budget for the biennium 1996-1997. The savings measures had affected some activities more than others, but that was exactly what prioritization — a welcome development — was all about. He wished to commend programme managers and their staff, such as those of the Economic Commission for Africa (ECA) and the Department for Economic and Social Information and Policy Analysis (DESIPA), who had achieved the mandated savings while implementing at the same time important programme activities.

42. **Mr. Armitage** (Australia) said that he shared the views expressed by the representative of New Zealand.

43. **Mr. Sach** (Director of the Programme Planning and Budget Division), commenting on the question of changes to mandates, said that the Secretariat did not have the authority to make changes and was fully aware of that. The Secretariat's role was simply to implement the mandates which had been approved by the General Assembly. That role, however, could be fulfilled in different ways. During the current biennium, the Secretariat had concentrated most of its efforts on the implementation of prescribed mandates.

despite having reduced its activities and outputs with a view to achieving the savings in real resources, which it had been requested to achieve.

44. With regard to the delay in the issuance of the report, the Controller was of the opinion that the preparation of the report was the responsibility of the Office of Internal Oversight Services. However, in view of the repeated requests for it to be issued, the report had had to be prepared by the Programme Planning and Budget Division, which, unfortunately, did not have the resources that were needed to prepare a detailed report in the usual budget format, such as the one that was due to be submitted in the spring of 1998 on the programme budget for the biennium 1996-1997.

45. Replying to the questions asked about the vacancy rate, the reason why the rate exceeded the 6.4 per cent mandated by the General Assembly in its resolution 50/214 was that it would not otherwise have been possible to achieve the financial objectives set out in that resolution and to keep within the appropriation levels, which the Secretariat did not have the authority to exceed. That was also why it had been decided to lift the freeze on recruitment, which the Secretariat had done as soon as it had become clear that the freeze could be lifted without exceeding the revised appropriation levels approved at the end of 1996.

46. On the question of exchange rates, the first performance report submitted in December 1996 contained the earnings realized as a result of exchange rate fluctuations during 1996, which would yield estimated savings of nearly $60 million. That amount had been taken into consideration in the budget appropriations approved in December 1996, under which the allocations for various programmes had been increased as a result of the additional political mandates which had been approved during the course of the year. Consequently, the General Assembly had effectively approved the use of the profits earned from exchange rate fluctuations for funding specific programme activities.

47. However, possible earnings from exchange rate fluctuations during 1997 were more or less hypothetical and it was impossible to accurately quantify them before the year ended, since there were no guarantees that the favourable exchange rates would be maintained. To the extent that that was possible, the Assembly had already gone ahead and approved various additional spending commitments in the amount of nearly $27 million during 1997 — specifically for extending the mandates of the International Civilian Mission in Haiti (MICIVIH) and the Military Observer Group of the United Nations Mission for the Verification of Human Rights in Guatemala (MINUGUA) — which was equivalent to approximately the total amount expected to be earned from exchange rate fluctuations to the end of September, or nearly $30 million. Should the current exchange rates hold, more earnings should accrue during the last three months of the year, bringing total earnings for the year to over $40 million. That question, however, would be dealt with in the final performance report, which was due to be submitted in early December. The Assembly could then decide how to use those resources: whether to fund additional programmes or activities, cover other unforeseen expenses, reduce future assessments, or earmark funds for other purposes.

48. **Mr. Watanabe** (Japan) stressed the need for accountability and transparency on the matter. His delegation would not object to any decision which the General Assembly might adopt on how to use possible earnings. However, it wished to at least receive information, perhaps in the next performance report, on the use to which earnings from exchange rate fluctuations would be put.

49. **Ms. Peña** (Mexico) said that she shared the concern of the representative of Japan over the use of any savings that might accrue from exchange rate fluctuations or from increased efficiency and noted that the Director of the Programme Planning and Budget Division had still not yet provided the information which he had been repeatedly requested to submit, namely, on the level of savings achieved by the freeze on recruitment between December 1996 and March 1997. The Mexican delegation associated itself with the request made by the representative of Cuba for the information in question to be provided in the next plenary meeting.

50. With regard to the report on the impact of savings measures (A/C.5/51/53), she was of the view that if the General Assembly had wished the Office of Internal Oversight Services to prepare the report, it would have stated so explicitly in the relevant resolution and she reserved the right to return to the subject at a later stage during the informal consultations to be held on items related to the budget for the biennium 1996-1997 and the programme budget for the biennium 1998-1999. She wished, moreover, to know when the reports on gratis personnel would be issued.

51. **Ms. Buergo** (Cuba) reiterated that she would like to know the amount of the savings achieved by postponing the lifting of the recruitment freeze. It was regrettable that the decision taken by the Assembly in December 1996 had not been implemented immediately by the Secretariat. In her view, considerable resources could have been saved in the months which had elapsed between the decision's adoption by the Assembly and its implementation, and she would be interested to know the amount of those savings. She hoped

that the Secretariat could provide the Committee members with the information requested during the current session, before they continued their debate on the impact of approved savings measures.

52. **Mr. Hanson** (Canada), after associating himself with the statements made by the representatives of New Zealand and Australia, said that if the approved savings measures had had a serious and measurable impact on the implementation of mandated programmes and activities, his delegation would have expected the report under consideration to have provided a reasonable explanation of that impact. In the absence of information to that effect, his delegation concluded that the approved measures had not had serious consequences, and agreed with the representative of New Zealand that that fortunate circumstance bore witness to the Secretariat's imagination, creativity and dedication to duty, for which he expressed his appreciation.

53. **Mr. Sach** (Director of the Programme Planning and Budget Division) said, in reply to the questions posed, that the Secretariat would try to determine the exact amount of the savings achieved by postponing the lifting of the recruitment freeze from December 1996 to March 1997. That analysis should be conducted in relation to the second budget performance report, which would be prepared at a later stage of the current session, although if the figures were available earlier, they would be duly reported to the Committee. With respect to the reports on gratis personnel, four of the six reports which had been requested at the end of the fifty-first session would be ready by 30 November. The other two reports, concerning administrative costs and the consequences of gradually eliminating such personnel, were expected to be ready for submission in March 1998, taking the current volume of work into account.

54. **Ms. Peña** (Mexico) said that the information provided by the Director of the Programme Planning and Budget Division was very interesting, and thanked him for indicating that four of the reports requested would be ready by 30 November. It was most interesting and paradoxical that the other two reports, which had also been requested for the current year, would not be submitted until March 1998. That was an example of the negative impact of savings measures on mandated activities. In her delegation's view, that circumstance was somewhat strange, since if the Secretariat was not in a position to do the tasks requested of it because of its backlog of work, it should either request the resources it needed or take timely steps to fulfil its mandates by the established deadlines. The idea that the reports might not be available until March 1998 was absurd. Her delegation reiterated that all the reports must be ready by the end of the current year and that if a date had already been set for the submission of four of those reports (30 November), the Secretariat could very well complete the other two by the same date.

Agenda item 142: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

(a) Financing of the United Nations peacekeeping operations (*continued*) (A/51/903, A/51/967 and Corr.1, A/52/369 and A/52/410)

55. **Mr. Thapa** (Nepal) said that it was a matter of great satisfaction that the General Assembly, at its fifty-first session, had finally corrected the earlier system of death and disability compensation, which had been unjust and based on ad hoc arrangements. He thanked the Secretary-General for the timely submission of his report, which contained detailed proposals on new administrative arrangements.

56. Those proposals should be backed up by the provision of the necessary human and financial resources. In particular, the General Assembly should ensure the availability of enough financial resources to pay compensation in full and on time, and adequate staff resources not only to expedite the processing of the backlog of claims, but also to correct the imbalance caused by the presence of gratis personnel in the Department of Peacekeeping Operations. The new system should include a mechanism to facilitate the flow of information between the relevant United Nations department and the respective permanent missions to ensure that claims were filed and settled in a timely manner.

57. Because it had faith in the ideals of the United Nations, Nepal had participated in many peacekeeping operations around the world, in the service of which many of its soldiers had lost their lives or limbs. The mandates for such missions must be matched by adequate resources; the lack of financial resources had caused serious problems in the past, and that state of affairs could not continue. All Member States must pay their assessed contributions to the regular and peacekeeping budgets in full and on time.

58. **Mr. Herrera** (Mexico) said that he supported the proposal, put forward by the Secretary-General in his report on third-party claims (A/51/903), that there should be a temporal limitation on the submission of claims and that the Secretary-General should be able to make exceptions to that limitation. In that regard, he was concerned about the possibility of abuses. The procedure for the Secretary-General's consideration of claims filed after the established deadline should be the same in all cases, and similar cases deserved to be treated in the same way.

59. With respect to death and disability benefits, the Secretary-General's report (A/52/369) indicated that compensation was payable only when death or disability was service-incurred, but unfortunately did not provide a definition of "service-incurred". It was his understanding, based on article 14 of the Memorandum of Understanding between the United Nations and the participating State contributing resources to United Nations peacekeeping operations, contained in document A/51/967, that the period of service was defined as the period between the date of arrival of personnel in the mission area and the date of their departure therefrom. If that criterion was adopted, claims procedures would be very simple. He therefore requested clarification of that point.

60. With respect to the payment of benefits, he asked whether the United Nations had a beneficiary designation mechanism and, if so, whether that mechanism took into account the provisions of national laws of succession. He also asked whether the Organization had considered the possibility of issuing checks made out to the beneficiaries through their respective States.

61. **Mr. Yeo** (Deputy Director of the Peacekeeping Financing Division) said, in reply to the questions posed at the current and preceding meetings, that the question asked by the representative of the Netherlands concerning the Memorandum of Understanding had been transmitted to the Office of Legal Affairs, which would respond in due time.

62. With respect to Pakistan's request that the Secretariat should express its views in case the Committee wished to recommend a reasonable time limit for the submission of claims, the most logical time-frame would be for Member States to submit claims within 12 months of the incident, to the extent possible, and no later than six months after the end of the mission's political mandate. That was because, once a mission liquidation budget had been submitted and the General Assembly had approved the final appropriation, there was no further opportunity to request additional resources which might become necessary.

63. With respect to the question from the representative of Mexico concerning beneficiaries, he confirmed that payments to beneficiaries would be made not directly, but through the respective Governments.

64. **Mr. Bjornsson** (Deputy Director, Field Administration and Logistics Division), replying to the question put by the representative of Mexico concerning the definition of service, said that the boards of inquiry followed an established procedure in determining the circumstances of each incident, including whether or not the accident was mission-incurred. In general terms, an accident was considered to be mission-incurred if it occurred as a result of the normal performance of their duties by military personnel in the mission zone. Exceptions to that criterion would be accidents which had occurred as a result of the unauthorized use of vehicles or some other improper conduct, or cases where military personnel were on leave outside the mission zone.

65. With regard to the question raised at the preceding meeting, as to the method used to calculate the time necessary to clear up the backlog of cases, only an estimate could be given. At first it had been estimated that a staff member would take two weeks to deal with a case; later that estimate had been revised to one week. Some 4,600 reports of incidents, but only 1,001 claims for compensation, had been received; it was to be hoped that more claims for compensation would be made in the future. Currently 425 requests were pending, awaiting more information from troop-contributing States. Given that six people were available for such work, it had been estimated that it would take two years to clear up the backlog, a period which could be somewhat reduced if it were not necessary to await information from Member States.

66. As for the personnel that would be necessary for the new system once the backlog of claims for compensation had been dealt with, he pointed out that, of the personnel resources currently assigned to such work, one post had been obtained temporarily from another area of the Field Administration and Logistics Division, two were filled by general temporary assistance, and two were gratis military officers. Once the backlog had been cleared up, there would once again be two posts, which it was hoped would be adequate for the implementation of the new system.

67. **Mr. Siat** (Pakistan) said that his delegation had never requested that deadlines should be set for Member States to make claims; rather it had suggested that it would be appropriate to impose a reasonable time limitation for the Secretariat to process compensation claims for death or disability in accordance with the new system. Under the proposed procedures there was no provision for Member States to make claims, since the process was initiated by the mission itself in the field. It was essential to avoid delays caused by excessive bureaucracy.

68. **Mr. Boynton** (United States of America) wished to clarify the difference between the old and new systems. The new system should lead to rationalization. A new plan should therefore be presented with a corresponding reduction in resources. As for dealing with the backlog of claims made under the previous procedures, the General Assembly had approved resources of $158,500 for general temporary

assistance, and if that sum was not sufficient the Committee should be so informed.

69. **Mr. Yeo** (Deputy Director, Peacekeeping Financing Division), referring to the question raised by the representative of Pakistan, explained that, although under the new system the first steps were taken by the board of inquiry in the field, the permanent mission concerned must simultaneously present a simplified claim for compensation. It was expected that the new procedures would be considerably more rapid, since most of the necessary information would be obtained directly from the mission in the field and not from the Member States. Once the mission and the Field Administration and Logistics Division had finished processing the claim, payment would be made immediately.

70. With regard to the reduction in resources as a result of the implementation of the new system, as indicated in paragraph 24 of the report of the Secretary-General (A/52/369), until 30 June 1997 the staffing resources allocated for processing death and disability claims under the old procedures comprised one P-1/2 post and one gratis military officer. In the context of his proposals relating to the support account for the period 1 July 1997 to 30 June 1998, the Secretary-General had requested two posts (one P-4 and one General Service) to strengthen the processing of claims for reimbursement, third-party claims and claims for compensation (A/51/890, para. 35). Those new posts were not therefore allocated exclusively to processing death and disability claims. The Assembly had subsequently approved $158,500 in additional resources for temporary general assistance (equivalent to 12 months for one P-3 post and one General Service post), for the sole purpose of clearing up the backlog in compensation claims. Consequently, once those claims had been dealt with, the temporary general assistance posts would no longer be needed; that would leave one P-4 post, one P-1/2 post and one General Service post, not counting the gratis military personnel, to work part-time or full-time on the processing of compensation claims. The question of what savings might be achieved under the new system was therefore simply one of determining how many of those three posts would be necessary. In view of the fact that the new system had only been in effect for three months, that there had been several new incidents, and that the new procedures had still not been implemented pending approval by the General Assembly, it would be reasonable to allow the Secretariat to respond to that question at the next session.

71. **Mr. Herrera** (Mexico) said that he still did not clearly understand the definition of the concept of service and, in that connection, he pointed out that the Advisory Committee had indicated in its report (A/52/410) the need for a clear definition of "accident" and "incident". He cited the example of a troop transport ship which might sink before it arrived in the mission zone and asked who would be liable.

72. **Mr. Boynton** (United States of America) insisted that the Secretariat must present estimates of the staff reductions and savings it hoped to achieve under the new procedures and said that his delegation was not prepared to wait until the next session.

73. **Mr. Yeo** (Deputy Director, Peacekeeping Financing Division), referring to the question put by the representative of Mexico, said that the question of defining those concepts was one of the items which had been referred to the Office of Legal Affairs and that a representative of that Office would reply to questions of a legal nature in due course. As for the question put by the representative of the United States, he would consult his colleagues in the Department of Peacekeeping Operations in order to respond.

74. **Mr. Sial** (Pakistan) pointed out that the proposal had two components: one, the new administrative procedure proposed by the Secretary-General; the other, the resources required. With regard to the former, there was a general consensus that it should be implemented as soon as possible. Since 30 June 1997 — the date which, as indicated in the report of the Secretary-General (A/52/369), was the date set by the General Assembly, in resolution 51/218 E, as the starting date for the application of uniform rates in cases of death and disability — there had only been three such incidents. The Committee did not wish those claims to be added to the ones already accumulated by the Department of Peacekeeping Operations nor did it wish to see the victims suffer indefinitely. As for the second component, discussions could be continued, possibly in the context of the support account, or perhaps the Secretary-General could prepare another proposal which might meet with the approval of the United States.

The meeting rose at 5.20 p.m.